

Actionable Market Insights, delivered daily.



MARKET COMMENTARY

DATE: Thursday 27 June | 2024

Money Market

Opening system liquidity declined by 5.63% to ₦535.58 billion from ₦567.50 billion recorded yesterday. Overall, the Open Repo Rate (OPR) remained unchanged at 23.68%, while the Overnight Rate (O/N) increased by 4 bps to 24.18%.

Outlook: We expect interbank rates to stay elevated in the interim.

Treasury Bills

The treasury bills market posted a bearish bias today, following the uptick in stop rates at yesterday's auction. Noticeably, interests veered across long-dated papers, albeit, on a less aggressive note. To quantify, the average mid-rate increased 9 bps to 20.37%.

Outlook: We expect a similar session tomorrow.

FGN Bonds

The local FGN bonds market was quiet today, with mild activity noticed on few maturities. Overall, the market closed slightly bearish, as average mid-yield increased marginally by 1bp to 18.83%.

Outlook: We expect the current trend to persist.

Eurobonds

The SSA Eurobonds market was quiet today, with minimal activity on selected papers. However, the Egypt and South African curve saw more activity, though with multiple selling interests. In other news, the US GDP growth rate for Q1'2024 came in at 1.40%, in line with market expectations. At the close of trading, the Nigerian curve ended on a positive note, with the average mid yield decreasing by 3 bps to 10.06%.

Outlook: Tomorrow, we expect attention to be skewed towards Fed's preferred measure of inflation, the PCE and Core PCE Price Index.

Benchmark T-Bills Discount Rates			
	27-Jun-24	26-Jun-24	Change in Rates
77 days	19.00%	19.00%	→ 0.00%
161 days	19.10%	19.10%	→ 0.00%
301 days	21.06%	20.55%	↑ 0.51%

Source: FMDQ DQL for 27 June 2024

Benchmark FGN Bond Yields			
	27-Jun-24	26-Jun-24	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	18.67%	18.67%	→ 0.00%
10 yrs: 12.50% 27-Apr-2032	18.00%	18.00%	→ 0.00%
20 yrs: 13.00% 21-Jan-2042	17.50%	17.50%	→ 0.00%
30 yrs: 12.98% 27-Mar-2050	17.50%	17.50%	→ 0.00%

Source: FMDQ DQL for 27 June 2024

Benchmark FGN Eurobond Yields			
	27-Jun-24	26-Jun-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	9.01%	9.01%	→ 0.00%
10 yrs: NGERIA 7.875 02/16/32	10.33%	10.35%	↓ -0.02%
15 yrs: NGERIA 7.696 23/02/38	10.79%	10.85%	↓ -0.06%
30 yrs: NGERIA 9.248 01/21/49	10.62%	10.63%	↓ -0.01%
7.125% ECOTRAN 16/02/26*	7.87%	7.78%	↑ 0.09%

Source: FBNH UK Runs for 27 June 2024

Date	Sys. Liq. (₦'bn)	Diff.
27-Jun-24	535.58	
26-Jun-24	567.50	↓ (31.92)

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	19.89
AIICO BALANCED FUND	6.49
AIICO EUROBOND FUND	6.94

As of 25 June 2024

Macro Indicators	
GDP (Q1 2024)	+2.98% (Q4: 2023 +3.46% y/y)
Inflation (May'2024)	33.95% (Apr'24: 33.69%)
External Reserve (US\$'billion)	33.99 (+3.30% YTD)
Monetary Policy Rate	26.25%
Cash Reserve Requirement (CRR)	45.00%
Brent Crude Price US\$/bbl	*85.91 (+0.81 d/d)

Source: NBS, CBN, AIICO Capital

Nigerian Equities

Today, the Nigerian equity market had a mixed session but closed relatively bullish. The All-Share Index slightly rose by 0.01% to 99,396.23 points. The year-to-date return and market capitalization settled at 32.93% and ₦56.22 trillion, respectively. Market breadth showed a ratio of 2.06x, with 33 advancers and 16 decliners. Despite selling interests on MTNN (-6.89%), the bullish sentiment was supported by SEPLAT (+10.00%).

Trading activity was positive, with a 91.55% increase in total volume and a 154.67% increase in value traded. All sectoral indices closed in the green. The Banking and Consumer Goods Indices appreciated by 1.12% and 0.24%, respectively, while the Industrial and Oil & Gas Indices increased by 0.01% and 5.71%, respectively. GTCO led both the volume and value charts with 66.05 million units and ₦2.93 billion, respectively.

Outlook: *We expect the mixed bias to linger.*

Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange Market (NAFEX) depreciated by ₦2.25 (or 0.15%) to \$/₦1,510.10 compared to \$/₦1,507.83 recorded yesterday.

Outlook: *We expect volatility to persist.*

Commodities

Crude oil prices rose today due to Israel-Lebanon tensions despite soft U.S. demand. Brent crude oil prices increased by 0.81% to \$85.91, while WTI increased by 0.64% to \$81.41. Gold prices also rose by 1.08% to \$2,338.20 per ounce at the time of writing.

Outlook: *We expect the volatility to persist.*

Top 5 Equity Advancers			
Name (Symbol)	Closing Price	Gain(N)	% Change
CUTIX	4.40	0.40	↑ 10.00%
SEPLAT	3,794.90	344.90	↑ 10.00%
LASACO	2.32	0.21	↑ 9.95%
CWG	7.25	0.65	↑ 9.85%
UCAP	24.10	2.15	↑ 9.79%

Source: NGX, AIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
DAARCOMM	0.51	-0.05	↓ -8.93%
CILEASING	3.00	-0.28	↓ -8.54%
CONHALLPLC	1.73	-0.15	↓ -7.98%
MTNN	200.00	-14.80	↓ -6.89%
REGALINS	0.43	-0.03	↓ -6.52%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.01%	↓ -0.45%	↑ 0.10%	↑ 32.93%
NSE Banking Index	↑ 1.12%	↓ -0.84%	↑ 3.38%	↓ -8.13%
NSE Insurance Index	↑ 0.11%	↑ 0.56%	↑ 5.03%	↑ 19.92%
NSE Industrial Goods Index	↑ 0.01%	↓ -0.25%	↑ 0.03%	↑ 73.14%
NSE Consumer Goods Index	↑ 0.24%	↓ -0.23%	↑ 1.28%	↑ 41.29%
NSE Oil & Gas Index	↑ 5.71%	↑ 5.84%	↑ 11.32%	↑ 38.12%

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